

Bulletin



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No. TT-31

October 4, 2001

TO: All Cigarette Wholesalers

SUBJECT: Alternate Markups - Wholesaler's Cost of Doing Business

Pursuant to Regulation 03.02.03.07, a number of cigarette wholesalers have applied to sell cigarettes to retailers at less than the 5% markup provided by the Maryland Cigarette Sales Below Cost Act. Those wholesalers who have applied and been approved to date are:

<u>Licensee</u>	<u>Markup</u>	<u>Date Effective</u>
Associated Wholesalers, Inc.	1.05%	May 1, 2001
Bonanza Too Co., LLC	.91%	May 1, 2001
Century Distributors, Inc.	.83%	May 1, 2001
Columbia Vending	.69%	May 1, 2001
Cooper-Booth Wholesale Co., LLP	.69%	May 1, 2001
Costco Wholesale Corporation	1.09%	May 1, 2001
Eby F.A. Davis	.85%	August 8, 2001
The George Falter Company	.85%	May 1, 2001
Fleming Companies, Inc.	.73%	May 1, 2001
J.T. Davenport	1.26%	May 1, 2001
Klein Candy Co., L.P.	.91%	May 1, 2001
McLane Eastern, Inc.	.55%	May 1, 2001
McLane Mid-Atlantic, Inc.	1.04%	May 1, 2001
Miller & Hartman, Inc.	1.88%	May 1, 2001
Triple C Wholesalers, Inc.	.87%	May 1, 2001
United Wholesalers	.77%	May 1, 2001
Wawa, Inc.	.65%	May 1, 2001

Approved wholesalers can choose a markup as low as the percentage indicated above. Any markup that is higher than the percentage would also be permitted. Competitors should not assume that the price of cigarettes sold by these wholesalers will be exactly the markup indicated. Cigarette wholesalers trying to meet the price of a competitor who has been approved for and is selling at a markup lower than 5%, should be guided by the provisions of Section E of Regulation 03.02.03.07.

This bulletin updates and supercedes Bulletin TT-29 on this subject and will remain in effect until further notice.

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Director
Alcohol and Tobacco Tax Division

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